

Message Text

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PAGE 01 MADRID 00831 061219Z

17

ACTION EB-07

INFO OCT-01 EUR-12 IO-10 ISO-00 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05 L-02 LAB-04

NSAE-00 NSC-05 PA-01 RSC-01 AID-05 CIEP-01 SS-15

STR-01 TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01

FEA-01 SAM-01 /100 W

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R 061000Z FEB 75

FM AMEMBASSY MADRID

TO SECSTATE WASHDC 1003

INFO US MISSION GENEVA 633

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E.O. 11652: N/A

TAGS: ETRD, GATT, SP

SUBJ: SPANISH CONSIDERATION OF IMPORT DEPOSIT SCHEME

REF: A) STATE 19879; B) MADRID 489

1. ECONOMIC COUNSELOR DISCUSSED QUESTION OF IMPORT DEPOSIT SCHEME WITH MFA DIRECTOR GENERAL FOR INTERNATIONAL ECONOMIC RELATIONS, BASSOLS, WHO SAID GOS DID NOT PLAN ANY SUCH ACTION AT THIS TIME. HE DID, HOWEVER, EMPHASIZE THE SERIOUS CONCERN WITH WHICH GOS VIEWS ITS PRESENT BALANCE OF PAYMENTS SITUATION (DESPITE RESERVES OF \$6 BILLION), GIVEN 1974 TRADE DEFICIT OF \$8.3 BILLION, AND INDICATED THAT SOMETHING WOULD HAVE TO BE DONE TO REDUCE THIS DEFICIT.

2. SINCE OUR ORIGINAL CONVERSATION WITH MIN OF COMMERCE OFFICIAL (REF B), THERE HAS BEEN ADDITIONAL EVIDENCE- BESIDES WHAT BASSOLS SAID- THAT GOS DOES NOT AT THIS TIME PLAN TO EMPLOY IMPORT DEPOSITS. A CONTACT WHO IS DIRECTOR OF SPAIN'S LARGEST BANK AND CLOSE TO MINISTER OF COMMERCE

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PAGE 02 MADRID 00831 061219Z

DISMISSED IDEA ON GROUNDS IT HAD BEEN TRIED IN 1970 AND WAS

ONE OF FACTORS WHICH CAUSED SEVERE ECONOMIC PROBLEMS AT THAT TIME. HE BELIEVED IT WAS NOT NOW UNDER SERIOUS CONSIDERATION. IN JAN 27 SPEECH, MINISTER OF COMMERCE TOLD CORTES THAT SPAIN WOULD MAINTAIN "TRADITIONAL OPEN POLICY" ON FOREIGN TRADE DESPITE THE POOR BALANCE OF PAYMENTS PROSPECTS OCCASIONED BY PRESENT WORLD SITUATION. NOTING A TENDENCY TOWARD SOME IMPROVEMENT IN TRADE PICTURE AT END OF 1974, MINISTER SAID "THERE IS NO REASON TO THINK THAT THIS (OPEN) POLICY SHOULD BE ALTERED FOR THE TIME BEING."

3. WE HAVE RECENTLY HEARD OTHER HINTS OF IMPORT DEPOSIT SCHEME BUT APPARENTLY GOS HAS RULED OUT ITS USE, AT LEAST FOR THE PRESENT. EMBASSY WILL CONTINUE TO MAINTAIN CONTACTS WITH GOS OFFICIALS AND TO REPORT ANY NEW DEVELOPMENTS ON THIS SUBJECT.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE CONTROLS, BALANCE OF PAYMENTS, DEBTS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 FEB 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ellisob
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975MADRID00831
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750043-0948
From: MADRID
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750267/aaaachyv.tel
Line Count: 76
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 19879, 75 MADRID 489
Review Action: RELEASED, APPROVED
Review Authority: ellisob
Review Comment: n/a
Review Content Flags:
Review Date: 12 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12 JUN 2003 by SmithRJ>; APPROVED <28 OCT 2003 by ellisob>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SPANISH CONSIDERATION OF IMPORT DEPOSIT SCHEME
TAGS: ETRD, SP, GATT
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006